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**State of Vermont
Public Service Board**

MEDIA RELEASE

**PUBLIC SERVICE BOARD APPROVES ACQUISITION OF
GREEN MOUNTAIN POWER BY GAZ MÉTRO**

Montpelier, VT – The Vermont Public Service Board today issued an order approving the sale of Green Mountain Power (GMP) to a subsidiary of Gaz Métro of Quebec, subject to several conditions. Gaz Métro has owned Vermont Gas Systems since 1986 through the same subsidiary that will own GMP. Following the sale, GMP will continue to operate as a stand-alone company under its current name, with existing management and employees remaining in place. The transaction is expected to be completed later this spring.

In an earlier docket (Docket 6107), GMP was ordered to share profits from any merger or sale with ratepayers. All parties agreed that this amount was properly calculated as \$9.3 million. In its order the Board approved a plan proposed by the petitioners and supported by the Department of Public Service to satisfy this requirement by the investment of \$9.3 million in energy efficiency projects, demand response programs, renewable and clean energy, and emerging technology through an Efficiency Fund. The Board found that the Efficiency Fund proposal will result in benefits to ratepayers in excess of \$9.3 million.

In the case, AARP and GMP proposed that \$1 million of the \$9.3 million being returned to ratepayers should be returned in the form of a discount program to reduce the bills of low-income customers. While the Board found that the concept of a low-income discount program had merit as a pilot project, the specifics of the proposed design would discriminate among eligible customers. The Board order offers an opportunity for AARP and GMP to propose an alternative design.

In its decision, the Board relied on representations by both GMP and Gaz Métro that the sale will lead to improved credit ratings, reduced collateral demands, access to more favorable power contracts, and easier access to capital, which in turn will produce tangible results for consumers in the form of lower rates. In addition, the Board based its approval of the sale in part on the record of technical, financial and managerial competency it has observed in Gaz Métro's ownership of VGS.

The full text of the order is available on the Board's website at <http://www.state.vt.us/psb/>

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